

SECRET

DIARY NOTES

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DD/S

17 through 21 October 1955

1. Attended Budget Hearings at the Bureau of the Budget on the DD/I and DD/S components. In the DD/S session the Bureau took issue with our average salaries and questioned the necessity for CIA paying higher salaries than other Government agencies. They also took issue with the necessity for so much overtime. While recognizing that frequently we might have crash situations which demanded overtime by a large number of people, they alleged that they continued to hear stories two or three times a week about people who worked overtime because they wanted to and not because their services were actually needed. In general, they were frank to say that two or three times a week they heard stories which would indicate that CIA managed its money fairly loosely. H

25X9A2 2. Asked Lyman Kirkpatrick to be on the Building Steering Committee along with the Deputies; he agreed.

25X9A2 3. Talked to Kirk about his memorandum of 5 October concerning Mrs. [REDACTED] [REDACTED] thought our chances were very small indeed in [REDACTED] to change its policies for our convenience and 25X9A2 that I thought we had a very poor illustration to back our case on. (I am personally familiar with the history of the [REDACTED] situation.) He said that if I returned his paper with a nonconcurrence in his recommendations his feelings wouldn't be hurt. That I shall do!

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4. Lunched with [REDACTED] whose field experience has very definitely indoctrinated him properly. I am sure that he is going to be much more valuable to us in the Office of Logistics.

25X1A 5. Larry Houston, Ed Saunders, and I met with the GEHA Board to discuss the question of whether or not CIA should pay for the salaries and business machines in the Insurance and Casualty Division, Office of Personnel. We told them that we were not opposed to doing this and, in fact, would like to, but that up to this point they had not given us an analysis which we could consider. (I do not consider it appropriate for the Comptroller to pay these expenses unless the General Counsel renders an opinion that it is legal to do so. The General Counsel will not render such an opinion without some discussion with the General Accounting Office and he feels that he cannot do this until he gets a proper analysis of the situation.) A committee, consisting of [REDACTED] and representatives of the Offices of the General Counsel and the Comptroller, was appointed to study the problem and submit an analysis as early as possible. H

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6. Larry Houston and I saw Congressman Dawson, Chairman of the House Government Operations Committee, with regard to his request that we furnish information concerning CIA's assets. He understood the reasons why we could not be shown in any report but requested that we try to work out some method with the General Services Administration to include our total without revealing ownership. Larry will try to work this out; however, I am not sure that we can. H

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7. [redacted] and I met with Matt Baird to consider his request for an increase in the Office of Training personnel ceiling by 69 positions. We did not feel that Matt had proper justification and asked him to study the entire situation again with two objectives in mind: first, how would he distribute his assets if he were held at his present ceiling of [redacted] second, regardless of what his ceiling was, what functions were now performed by Office of Training staff personnel which could be done by contract, and why shouldn't they be done by contract. Matt is most unhappy, but I see no alternative to holding his feet to the ~~bar~~ fire.

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8. Matt Baird and I met with [redacted] to discuss the "action cadre" paper and also to discuss the rotation of some of Matt's people into the DD/P area. Dick chose to take this up at his weekly staff meeting. As a result he decided to do nothing about the "action cadre" paper until General Cabell returned and asked Matt to present the rotation problem to the DD/P Career Service Panel.

9. Talked to Jack Nolen, Director of the National Capital Planning Commission, about appearing before the Commission's November meeting. He said that Mr. Bartholomew desired that we come back to the full Commission without going through the Special Committee which was appointed some time ago to consider our problem. We tentatively agreed that we would have this meeting in "executive session." (I have since discussed this matter with Mr. Dulles who feels that so much public interest has been aroused that if we can we should appear in "open session" and stay after that session for an executive session if necessary. I will pass this on to Jack Nolen after looking at Clarke and Rapuano's report.) H

10. Talked to Mr. William H. Shepherd, President of WAEPA. He said that he had not been able to consider our request for membership on the Board until it had been determined whether or not WAEPA could legally turn its assets over to the Government, and, if so, whether or not it wanted to. He will keep me advised. (See separate Memorandum for the Record.) H

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11. Talked to Kirk about the [redacted] case and he agreed that she should not be promoted. Have written the Director of Personnel a memorandum on this subject which Kirk has seen and agrees with. In essence it says that she should be separated as soon as a job can be found for her elsewhere.